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TO: Chief Elected Officials
WIB Directors

FROM: Ronald L. Stiver
Commissioner

DATE: May 4, 2005

SUBJ: DWD Policy 2004-36
Subrecipient Monitoring Policy

RE: Workforce Investment Act

Purpose: To issue policy regarding the oversight role of the chief elected official, in concurrence with the Workforce Investment Board, as it relates to subrecipient monitoring.

Rescission: DWD Communication 2002-40

Content: 20 CFR Part 667.410(a) of the WIA Final Rules state:

“Each recipient and subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to:

- (1) Determine that expenditures have been made against the cost categories and within the cost limitations specified in the Act and these regulations;
- (2) Determine whether or not there is compliance with other provisions of the Act and the WIA regulations and other applicable laws and regulations; and
- (3) Provide technical assistance as necessary and appropriate.”

Accordingly, each chief elected official, in concurrence with the Workforce Investment Board, must monitor all service providers and subrecipients (excluding service providers paid by an individual training account), on-site at least annually, or once during the term of agreement if it lasts less than one year, for financial and programmatic compliance.

The entity issuing the contract must monitor each on-the-job (OJT) and customized training employer on-site at least annually, or once during the term of agreement in accordance with 20 CFR Part 667.410(a). Additionally, the chief elected official, in concurrence with the Workforce Investment Board, is responsible for conducting oversight on-site at least annually of local youth programs operated under this Act, to ensure both fiscal and programmatic accountability.

Procedures should address the monitoring of payment point contracts to verify that those subrecipients have expended excess cash before requesting additional drawdowns as

discussed in the One Stop Comprehensive Financial Management Technical Assistance Guide at II-6-3. Each chief elected official, in concurrence with the Workforce Investment Board, is required to develop and use local monitoring procedures, monitoring instruments, and monitoring schedule. The monitoring schedule and any subsequent changes should be sent to all service providers and subrecipients. Additionally, each chief elected official, in concurrence with the Workforce Investment Board, must have a written monitoring policy, which include, at a minimum, the following items:

- ◆ Identification of a monitoring scope.
- ◆ Use of the monitoring guide.
- ◆ Frequency of on-site monitoring.
- ◆ Procedures for additional monitoring of high risk service providers.
- ◆ Positions responsible for performing monitoring.
- ◆ Procedures for documentation of findings.
- ◆ Monitoring reports formats and time frames for issuance.
- ◆ Monitoring resolution procedures including time frames.

During annual on-site visits by the Department of Workforce Development (DWD) Oversight Division, monitoring procedures, monitoring instruments, implementation of the local policy will be reviewed for compliance.

Questions concerning monitoring, including technical assistance and policy, may be addressed to the DWD Oversight Division at 317/233-6082.

Effective Date: Communication transmittal date

Review Date: March 04, 2007

End Date: May 04, 2007

Action: The chief elected official, in concurrence with the Workforce Investment Board, is to ensure a local monitoring policy is written and implemented which fulfills the requirements outlined in this policy.

Ownership: DWD Oversight Division